

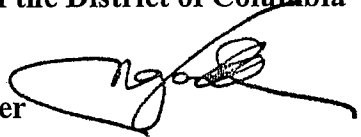
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: June 14, 2010

SUBJECT: Fiscal Impact Statement – “West End Parcels Surplus Declaration and Approval Resolution of 2010”

REFERENCE: Draft Resolution as shared with the OCFO on June 11, 2010– No Number Available

Conclusion

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the proposed resolution.

Background

The proposed legislation would authorize the Mayor to declare and approve surplus a portion the following District-owned properties:

- Square 0037, Lot 0836 commonly known as the West End Library located at 1101 – 1111 24th Street, N.W. The property, approximately 15,950 square feet, contains the existing West End Library, an operational building with approximately 19,060 Gross Square Feet (GSF);
- Square 0037, Lot 0837 commonly known as the Metropolitan Police Stations Special Operations Branch located at 2301 L Street, N.W. The property, approximately 18,948 square feet, contains the Metropolitan Police Station’s Special Operations Branch, an operation building with approximately 11,624 GSF; and
- Square 50, Lot 822 commonly known as the West End Fire Station located at 2225 M Street, N.W. The property, approximately 16,260 square feet, contains the existing West End Fire Station, an operation building with approximately 16,549 GSF.

The Mayor has determined that the property is no longer required for public purposes for the following reasons:

- Renovation of the properties to accommodate a District agency or other public use in a cost-effective manner and on a long-term basis would be cost prohibitive.
- Maintenance and upkeep required to operate and preserve these functionally obsolete structure(s) could potentially overburden the District's strained facilities management and maintenance capacity.
- Declaring the District Property surplus and subsequently disposing of it is the most expedient and cost-effective solution to reactivate the property, provide public benefits such as affordable housing, and allow the District to leverage and utilize the value associated with the District Property to construct a new West End Fire Station and a new West End Public Library.

The Mayor intends to sell the air rights above the aforementioned properties to EastBanc, LLC¹ ("Developer"), a District of Columbia limited liability company, less the air rights necessary to construct a new library to replace the existing West End Library and Fire Station. The Mayor will reserve such easements, covenants, and other property rights needed to support the operation of the new library and new fire station. The appraised value of the property is \$30,018,000.²

Financial Plan Impact

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed resolution. Authorizing the Mayor to declare and approve the property as surplus would have no impact on the District's budget and financial plan.

¹ A joint venture with W.D.C. Partners, LLC, Inc., the Warrenton Group, L.S. Caldwell & Associates, Inc. and EastBanc, Inc. East Banc, Inc. was chosen through a competitive bid process initiated by the Deputy Mayor for Planning and Economic Development (DMPED).

² A third party appraisal was conducted by an appraiser hired by DMPED to estimate the Fair Market Value of the property in its "As Is" i.e. present state of condition.